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**Please find below and/or attached an Office communication concerning this application or proceeding.**

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 10/020,728  
Filing Date: October 29, 2001  
Appellant(s): BECKER et al.

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David A. Fox  
For Appellant

**SUPPLEMENTAL EXAMINER'S ANSWER**

This is in response to the Supplemental Appeal Brief filed 23 June 2005 appealing from the Office action mailed 19 January 2005.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

Examiner notes that although 37 CFR 41.37(c)(1)(v) requires the summary of claimed subject matter to include referring to the specification by page and line number, and to the drawing, if any, by reference characters, Examiner understands the inclusion of reference numbers in the summary of claimed subject matter to refer to Figure 1, as these reference characters are unique to Figure 1, even though this Figure is not explicitly stated.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: appellant's statement of the grounds of rejection to be reviewed on appeal does not include the following New Grounds of rejection, which has been added, and is set forth both here and in Section (9) of this supplemental examiner's answer.

The following new ground(s) of rejection are applicable to the appealed claims:

***(New Grounds) Claim Rejections - 35 USC § 101***

1. 35 U.S.C. § 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 16-22, 24, 27-29 are rejected under 35 U.S.C. §101. The claimed invention appears to be directed toward a method or process for providing registration services and loss protection services related to marked jewelry. Based on Supreme Court precedent, and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*,

450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

In the instant application, Appellant's method steps fail the first prong of the new Federal Circuit decision since they are not required to be tied to another statutory class and can be performed without the use of a particular apparatus. Furthermore, the method steps fail to unambiguously require transformation of underlying subject matter to a different state or thing. The mere manipulation and production of non-functional descriptive material (i.e., registration or loss protection services) is not a transformation because neither registration service nor loss protection service is statutory subject matter. Thus, claims 16-22, 24, 27-29 are non-statutory since they are not requisitely tied to another statutory class and they do not requisitely transform underlying subject matter to a different state or thing.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

- |  |        |         |
|--|--------|---------|
| 1. 5, 983, 238A  | Becker | 11-1999 |
| 2. Insure your Reputation: Introducing <i>GemShield</i> ,<br>Private Insurance from IJB. Private Jewelry Insurance<br>Promotional Material, International Jewelers Block &<br>Fine Arts Insurance Services, Inc. |        |         |
|  |        | 1999    |
| 3. Personal Jewelry Insurance. Personal Jewelry Insurance<br>and related promotional material, Jewelers Mutual<br>Insurance Company.   |        |         |
|  |        | 1997    |
| 4. S&P Assigns Jewelers Mutual insurance "BBBpi" Rating<br>Business Wire.  |        |         |
|  |        | 8-1999  |

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***(New Grounds) Claim Rejections - 35 USC § 101***

3. 35 U.S.C. § 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 16-22, 24, 27-29 are rejected under 35 U.S.C. §101. The claimed invention appears to be directed toward a method or process for providing registration services and loss protection services related to marked jewelry. Based on Supreme Court precedent, and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite

the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

In the instant application, Appellant's method steps fail the first prong of the new Federal Circuit decision since they are not required to be tied to another statutory class and can be performed without the use of a particular apparatus. Furthermore, the method steps fail to unambiguously require transformation of underlying subject matter to a different state or thing. The mere manipulation and production of non-functional descriptive material (i.e., registration or loss protection services) is not a transformation because neither registration service nor loss protection service is statutory subject matter. Thus, claims 16-22, 24, 27-29 are non-statutory since they are not requisitely tied to another statutory class and they do not requisitely transform underlying subject matter to a different state or thing.

Claims 2-9, 11-14, 16-22, 24, 27-29 are rejected under 35 U.S.C. §103(a).

These rejections are set forth in prior Office Action, Paper No 092004 and reproduced hereinbelow. The rejections which appear below substantially repeat the rejections made in the previous Office Action (Paper No 092004). The text of those sections of Title 35 U.S. Code relied upon in the Examiner's Answer is set forth in the previous Office action, Paper 092004.

1. Claims 2, 3, 5, 8, 9, 11, 13, 14, 16-22, 24, 27 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Becker et al., Pat. No. 5,983,238 (hereinafter Becker) in



view of “Insure your Reputation: Introducing GemShield, Private Insurance from IJB”  
(hereinafter GemShield).

As to claim 11, Becker discloses a system for providing registration services and loss protection services related to jewelry (see abstract), comprising:

a database for registering said jewelry (i.e. diamond registration)((col. 4, lines 37-45);

and

a loss protection system in communication with said database for bundling said registration service with said loss protection services related to said jewelry (i.e. police, insurance companies, store owners ... may contact the central headquarters)(col. 4, lines 8-36).

said registration services and said loss protection services are provided to a consumer(i.e. owner)( col. 4, lines 21-24 and col. 6, lines 26-42).

Becker does not explicitly disclose wherein said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer.

However, GemShield discloses said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant’s invention to include said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

Becker and GemShield do not explicitly disclose

a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer.

However, GemShield discloses that the cost of insuring jewelry is assumed by the retailer (i.e. value added)(page 4). Such costs would presumably be passed on to the customer that are reflected in the price of the jewelry item in the form of a markup. The reason for marking up the price of the jewelry item would have been to include any and all overhead costs associated with the jewelry item to insure a sufficient profit margin for the retailer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer within Becker and GemShield for the motivation stated above.

As to claim 2, Becker discloses the system of claim 11 wherein said database includes ownership data related to said marked jewelry (i.e. col. 4, lines 37-40).

As to claim 3, Becker discloses the system of claim 11 wherein said database includes distinguishing characteristics of said marked jewelry for tracking and identification purposes (col. 3, lines 37-40).

As to claim 5, Becker discloses the system of claim 11 wherein said database includes value of said marked jewelry (Fig. 10).

As to claim 8, Becker discloses the system of claim 11 wherein said loss protection systems provides said database with transfer of ownership data (col. 5, lines 9-18).

As to claim 9, Becker discloses the system of claim 11 wherein said loss protection systems provides said database with occurrence of events relating to said marked jewelry including one of theft, loss, destruction and recovery (Fig. 15).

As to claim 13, Becker discloses the system of claim 11 wherein the database and the loss protection system are implemented by the same system (see abstract).

As to claim 14, Becker discloses the system of claim 11 wherein the database includes an identification of marking on the marked jewelry item (Fig. 2).

As to claim 24, Becker discloses a method for providing registration services and loss protection services related to marked jewelry (see abstract), comprising:

initiating said registration services by registering a marked jewelry item in a database (i.e. diamond registration)((col. 4, lines 37-45);

initiating said loss protection services (see abstract);

bundling the registration services with the loss protection services (i.e. police, insurance companies, store owners ... may contact the central headquarters)(see Fig. 15, Fig. 16, and col. 4, lines 8-36);

said registration services and said loss protection services are provided to a consumer (i.e. owner)( col. 4, lines 21-24 and col. 6, lines 26-42).

providing the bundled registration services and loss protection services to a consumer (col. 4, lines 21-24); and,

updating said database upon an occurrence of an event relating to said marked jewelry item (col. 5, lines 9-18).

Becker does not explicitly disclose wherein said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer.

However, GemShield discloses said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

Becker and GemShield do not explicitly disclose  
a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer.

However, GemShield discloses that the cost of insuring jewelry is assumed by the retailer (i.e. value added)(page 4). Such costs would presumably be passed on to the customer that are reflected in the price of the jewelry item in the form of a markup. The reason for marking up the price of the jewelry item would have been to include any and all overhead costs associated with the jewelry item to insure a sufficient profit margin for the retailer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer within Becker and GemShield for the motivation stated above.

As to claim 16, Becker discloses the method of claim 24 wherein the updating said database occurs upon one of a transfer of ownership, loss, destruction, theft, damage, recovery and settlements initiated (Fig. 15).

As to claim 17, Becker discloses the method of claim 24 wherein terms of loss protection services include identification information for said marked jewelry item (Fig. 4).

As to claim 18, Becker discloses the method of claim 24 wherein terms of loss protection services include a value of said marked jewelry item (Fig. 10).

As to claim 19, Becker discloses the method of claim 24 wherein terms of loss protection services include ownership information related to said marked jewelry item (Fig. 11).

As to claim 20, Becker discloses the method of claim 24 wherein said marked jewelry item includes a jewelry item that has been marked with an identification marking (Fig. 2).

As to claim 21, Becker discloses the method of claim 24 wherein said database is a commercial database accessible by authorized entities (col. 4, lines 21-26).

As to claim 22, the method of claim 24 wherein said initiating said loss protection service agreement includes collecting activation information and transferring said activation information to a provider of said loss protection services.

As to claim 27, Becker discloses the method of claim 24 wherein the registration services and the loss protection services are provided by the same entity (see abstract).

As to claim 29, Becker discloses the method of claim 24 wherein said registration services include storing one or more characteristics of the jewelry (Fig. 10).

2. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 1 above, and further in view of Examiner's use of Official Notice.

As to claim 4, Becker does not explicitly disclose the system of claim 1 wherein said database includes fees collected and owed.

However, the Examiner takes official notice that it was well known in the electronic billing arts to track billing information including fees collected and owed. Such a system provides the means for determining how much is owed, how much is paid for a particular product or service. For example, student loans are processed on a monthly basis. Billing information includes the amount owed and principal paid. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said database includes fees collected and owed within Becker for the motivation stated above.

3. Claims 6-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 11 above, and further in view of "Personal Jewelry Insurance" (hereinafter Jewelers Mutual).

As to claim 6, Becker and GemShield do not explicitly disclose the system of claim 11 wherein said loss protection system provides said database with policy data relating to coverage terms selected.

However, GemShield discloses providing policy data relating to coverage terms selected (page 1). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection systems provides said database with policy data relating to coverage terms selected as disclosed by Jewelers Mutual within Becker and GemShield for the motivation of providing protection commensurate with the level of coverage obtained (i.e. we provide loss, theft, and damage protection. Some homeowners policies are limited in coverage...) (page 1).

As to claim 7, Becker and GemShield do not explicitly disclose the system of claim 11 wherein said loss protection systems provides said database with updated inspection data relating to said marked jewelry.

However, Becker discloses updating the database with respect to the registered marked jewelry. Furthermore, GemShield discloses requiring inspections relating to said jewelry (page 1). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection systems provides said database with updated inspection data relating to said marked jewelry as disclosed by Jewelers Mutual within Becker and GemShield for the motivation of acknowledging required inspections for the marked jewelry.

4. Claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 11 above, and further in view of "S&P Assigns Jewelers Mutual insurance "BBBpi" Rating"(hereinafter S&P).

As to claim 12, Becker does not explicitly disclose the system of claim 11 wherein a wholesaler includes the registration services and loss protection services in the cost of the jewelry item.

However, GemShield discloses including the registration services and loss protection services in the cost of the jewelry item as explained previously in claim 11 (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the registration services and loss protection services in the cost of the jewelry item as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

Becker and GemShield do not explicitly disclose the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item.

However, S&P discloses the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item (i.e. wholesalers, retailers,...)(see abstract). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item as disclosed by S&P within the Becker and GemShield combination for the motivation of providing coverage for the commercial jewelry industry and for individuals who own jewelry (see abstract).

5. Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 24 above, and further in view of S&P.



As to claim 28, Becker discloses a method as analyzed and discussed in claim 24 above.

Becker does not explicitly disclose  
a wholesaler initiating the registration services and initiating the loss protection services.

However, S&P discloses a wholesaler initiating the registration services (page 1) and initiating the loss protection services (page 1).

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a wholesaler initiating the registration services and initiating the loss protection services as disclosed by S&P and within Becker for the motivation of providing coverage for the commercial jewelry industry (page 1).

**(10) *Response to Argument***

In the Appeal Brief filed 23 June 2005, Appellant makes the following argument:

**ARGUMENT**

Claims 2, 3, 5, 8, 9, 11, 13, 14, 16-22, 24, 27 and 29

Claim 4

Claims 6-7

Claim 12

Claim 28

Examiner will address Appellant's arguments in sequence as they appear in the brief.

**ARGUMENT**

Claims 2, 3, 5, 8, 9, 11, 13, 14, 16-22, 24, 27 and 29

With respect to Appellant's argument in paragraph 2, lines 11-13 on page 5 of the Appeal Brief that the Becker reference fails to teach limitations, which Appellant describes as recited in claim 11, of "the offering of insurance services," and "insurance, replacement coverage and warranty," Examiner respectfully notes that these are not claimed limitations.

With respect to Appellant's argument in paragraph 2, line 12 on page 5 of the Appeal Brief that the Becker reference fails to teach the limitation recited in claim 11 of "bundling said registration service with said loss protection services related to said jewelry," Examiner respectfully notes that the Becker reference discloses "an identification, tracking and recovery system ... to assist with the recovery of lost or stolen gemstones" (Becker; Abstract). The database of Becker assists owners of gemstones in recovering lost or stolen gemstones. This is an example of a loss recovery service. It is clear that Becker provides a registration service for owners of gemstones. Therefore, the database of Becker provides bundling of the two services (registration and loss prevention). Therefore, Applicant's arguments directed to the Becker reference are not persuasive.

With respect to Appellant's argument in paragraph 3, on page 5 of the Appeal Brief that the applied references fail to teach bundling the loss protection services with the registration services before the jewelry is transferred to the consumer, Examiner notes that the Becker reference tracks ownership and "the history of the transfer of ownership" of gemstones from owner to owner to aid with recovery in the event of theft or loss (Becker; column 1, lines 12-15, column 5, lines 10-11), which information "is of particular concern to insurance companies" (Becker; column 1, lines 24-25). Furthermore, Becker's database stores "personal information of the ... owner" (Becker; Figure 1, column 5, lines 20-21), and "[p]referably, the information [in the database] also includes ... the insurer of the gemstone" (Becker; column 2,

lines 46-48). In addition, Becker's tracking of transfers of ownership (Becker; Figure 5, Figure 9, column 7, lines 49-50, column 8, lines 21-31), includes multiple owners such as "retailers," "diamond vendors, who sell diamonds to retailers" and "purchaser[s]" (Becker; column 5, lines 42-45,49). Examiner also notes that the transfer of ownership of insurance policies together with ownership of insured merchandise is well known. Examiner further notes that "loss protection" is a broadly defined term, as for example as stated, in Appellant's specification, "[r]egistration and loss protection services include repairing, replacing, and reappraising inscribed or marked jewelry items such as gemstones and diamonds (hereinafter "gemstones")," (Specification, page 6, lines 1-3). Further, the Examiner notes that the GemShield reference discloses that the loss protection services are bundled with registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added)(GemShield; page 4), by virtue of initiating the insurance procedure between the retailer and the insurance company prior to the sale of the merchandise; (Examiner interprets GemShield's teachings of a "selling price" as an "asking price" (as is commonly represented in retail listings) rather than as a price outlaid in an actual sale).

Additionally, as regards Appellant's arguments regarding the bundling of costs in lines 16-17 of paragraph 3, on page 5 of the Appeal Brief, Examiner notes that GemShield discloses the cost of providing the additional insurance for sold jewelry may be borne by the retailer. But this cost is reflected in the price the consumer pays for the item since the jeweler's price for jewelry may reflect additional factors, including services provided by the jeweler. This

additional service may be reflected in the cost of the jewelry since the jeweler will bear additional costs with respect to those jewelry items that are provided with additional insurance. Furthermore, GemShield teaches that the retailer “receive[s] a flat rate” and “peace of mind for you and your customers” and “your customers are assured that any loss will be replaced by you, the jeweler they trust” (GemShield; page 4), which is consistent with Appellant’s description in the specification of the “contractual arrangement” with the “insurer”, i.e., “contractual arrangement ... allows the insurance to be at a cost lower than the selling price at retail, making it less expensive and more convenient to obtain protection” (Specification page 6, lines 9-13). Therefore, Applicant’s arguments directed to the GemShield reference are not persuasive.

As per Appellant’s arguments at paragraph 1 of page 6 of the Appeal Brief that “the retailer or consumer pays the insurance premium which is contrary to including this cost in the cost of the jewelry item,” Examiner respectfully disagrees. Examiner notes that the GemShield reference offers two program options to the retailer, “Value-Added” and “Individual Choice” (GemShield; page 4) and in the “Value-Added” choice, the retailer, and not the “customer” pays for the insurance because the first year’s insurance has been purchased by the retailer for the customer, i.e., it will be included, or bundled, into the cost of the merchandise.

As per Appellant’s arguments at paragraph 1 of page 6 that the applied art fails to teach costs that are not “geographically dictated,” and at paragraph 2 of page 6 of the Appeal Brief

that the applied art fails to teach “no application subject to approval,” Examiner notes that no such exclusions exist in Appellant’s recited claims.

As per Appellant’s arguments at paragraph 3 of page 6 of the Appeal Brief that the applied art fails to teach “both registration and loss protection services,” this argument has been addressed earlier in this Examiner’s Answer.

With regard to Appellant’s argument in the paragraph bridging pages 6-7 of the Appeal Brief that “the registration services of Becker, however are not loss protection services that provide replacement or repair value as described in Applicants’ specification,” Examiner notes that although both Becker (Becker; Figure 10, column 7, lines 22-23) and GemShield (GemShield; (page 4, column 1) teach replacement of lost or stolen jewelry, this is not a claimed limitation. Moreover, it has been held that although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

#### Claim 4

Examiner respectfully notes that in this section Appellant raises no issue that was not fully responded to earlier in this Examiner’s Answer.

Claims 6-7

Examiner respectfully notes that in this section Appellant raises no issue that was not fully responded to earlier in this Examiner's Answer.

Claim 12

With respect to Appellant's argument in paragraph 4, on page 8 of the Appeal Brief that the applied references fail to teach limitations in claim 12, Examiner notes that the combined teachings of Becker, *GemShield*, and S&P teach the limitations of claim 12.

Becker teaches tracking of transfers of ownership (Becker; Figure 5, Figure 9, column 7, lines 49-50, column 8, lines 21-31), between multiple owners such as "retailers," "diamond vendors, who sell diamonds to retailers" (i.e. wholesalers) and "purchaser[s]" (Becker; column 5, lines 42-45, 49) (Examiner moreover notes that the transfer of ownership of insurance policies together with ownership of insured merchandise is well known); *GemShield* discloses including (or bundling) the registration services and loss protection services in the cost of the jewelry item as explained previously in claim 11 (i.e. value added) ( *GemShield*; page 4). Examiner notes that the S&P reference was brought in to teach the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item (i.e. wholesalers, retailers,...) with the motivation of providing coverage "for the

commercial jewelry industry and for individuals who own jewelry” (S&P; abstract). As such, Examiner interprets the applied art to teach the claimed limitations.

#### Claim 28

With respect to Appellant’s argument in paragraph 3, on page 9 of the Appeal Brief that the applied references fail to teach limitations in claim 28, Examiner respectfully disagrees and notes that the combined teachings of Becker, *GemShield*, and S&P teach the limitations of claim 28. Becker teaches tracking of transfers of ownership (Becker; Figure 5, Figure 9, column 7, lines 49-50, column 8, lines 21-31), between multiple owners such as “retailers,” wholesalers, i.e. “diamond vendors, who sell diamonds to retailers” and “purchaser[s]” (Becker; column 5, lines 42-45, 49); furthermore, within Becker’s system tracking of ownership information as entered in the database includes tracking of insurance information (“[p]referably, the information [in the database] also includes ... the insurer of the gemstone” (Becker; column 2, lines 46-48)) and Becker also teaches replacement of lost or stolen jewelry (Becker; Figure 10, column 7, lines 22-23). Noting that the transfer of ownership of insurance policies concurrently with ownership of the insured merchandise is well known, Examiner interprets Becker’s tracked changes in ownership from wholesaler to retailer to purchaser, together with S&P’s teaching of providing coverage “for the commercial jewelry industry and for individuals who own jewelry” (S&P; abstract) to teach a wholesaler initiating the registration services and initiating the loss protection services. As such, Examiner interprets the applied art to teach the claimed limitations.



With respect to Appellant's argument in paragraph 3, lines 5-9 on page 9 of the Appeal Brief that "the retailer or the consumer pays for the loss protection services after the purchase by the consumer," and "the jewelry is covered only when the premium is paid," Examiner respectfully disagrees. Examiner notes that the GemShield reference offers two program options to the retailer, the "Value-Added" option and the "Individual Choice" option (GemShield; page 4), and in the "Value-Added" option, the retailer, and not the "customer" pays for the insurance because the first year's insurance has been purchased by the retailer for the customer, i.e., it will be included, or bundled, into the cost of the merchandise. Further, the Examiner notes that the GemShield reference discloses that the loss protection services are bundled with registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added) (GemShield; page 4), by virtue of initiating the insurance procedure between the retailer and the insurance company prior to the sale of the merchandise; (Examiner interprets GemShield's teachings of a "selling price" as an "asking price" (as is commonly represented in retail listings) rather than as a price outlaid in an actual sale).

As per Appellant's arguments at the paragraph bridging pages 9-10 of the Appeal Brief that the applied art fails to teach "a wholesaler initiates....," as recited in claim 28, this argument has been addressed earlier in this Examiner's Answer.

***Conclusion***

Appellant's arguments at pages 5-10 of the Appeal brief submitted 23 June 2005 do not appear to persuasively require a withdrawal of the Examiner's grounds of rejection. As specified in the remarks and rebuttals given above, Appellant's arguments apparently fail to appreciate the clear and unmistakable suggestions provided in the prior art of record, and relied upon by the Examiner for motivation to combine such well-known elements of the prior art. As such, it is respectfully submitted that an explanation based on logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner both in the present Examiner's Answer as well as the previous Office Action (Paper Number 092004), *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter., 4/22/93).

Thus, in light of the reasons and responses given above, it is respectfully submitted that a *prima facie* case of obviousness has been clearly established by the Examiner.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

NOTE: The brief does not contain the items of the brief required by 37 CFR 41.37(c)(1) under the appropriate headings and/or in the order indicated. Although the evidence appendix and related proceedings appendix are missing, the record is clear that there is no evidence submitted and no related proceedings listed in the related appeals and interferences section, therefore the Examiner accepts the brief; however it is assumed that the appellant meant to include both appendixes, each including the statement of "NONE."

**(12) Notice to Appellant – Reply is Required**

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Natalie A. Pass  
Examiner, Art Unit 3686

/N. A. P./  
December 5, 2008



Gerald J. O'Connor  
Supervisory Patent Examiner  
Group Art Unit 3686

**A Technology Center Director or designee must personally approve the new  
ground(s) of rejection set forth in section (9) above by signing below:**

Wynn W. Coggins

Director, Technology Center 3600



Conferees:

Gerald J. O'Connor  
Supervisory Patent Examiner  
Group Art Unit 3686



for

Joseph Thomas  
Supervisory Patent Examiner  
Technology Center 3600

Vincent A. Millin  
Appeals Practice Specialist  
Technology Center 3600



for

Robert Weinhardt  
Business Practice Specialist  
Technology Center 3600

WYNN W. COGGINS  
TECHNOLOGY CENTER DIRECTOR

